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Collective Agreements in the Men's Clothing Industry

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REGARD to the industrial setting of the clothing industry and its history will help in understanding what has happened to the industry in the field of industrial relations. In the year 1910, one of the outbursts that had been more or less common in one part or another of the industry, developed in Chicago. It proved to be much more extensive and persistent than previous outbursts had been. Some of the workers were represented by the United Garment Workers and the Chicago Federation of Labor; and the Women's Trade Union League took an active part in the controversy. At the close of the struggle, Hart Schaffner & Marx, the largest house in the industry, decided to recognize the principle of representation and group action among their workers, and accordingly laid out their policy to deal with employees collectively through their chosen representatives. The evolution of trade agreements in that house and in the clothing industry since that time has paralleled the development of organization among the workers.

In connection with the arrangement at Hart Schaffner & Marx, Mr. Sidney Hillman came to the front as a leader of the workers. Finding the United Garment Workers an unsatisfactory instrument for their activities, Mr. Hillman and his followers throughout the industry revolted from the organization in 1914 and ultimately carried a large percentage of men's clothing workers with them. This was the beginning of the Amalgamated Clothing Workers of America, which

has since expanded and come to have working relations with the bulk of men's clothing manufacturers in the United States and Canada.

The fact that relations between employer and employee developed as they did at Hart Schaffner & Marx, and that these developments came to have such a large significance throughout the clothing industry, is doubtless due in large measure to the personality of a number of individuals who were closely associated with the arrangement entered into. The personality of Mr. Joseph Schaffner, the head of the firm, the personality of Mr. Hillman, the personality of Dr. Earl Dean Howard, the man selected to represent the house and to coöperate with Mr. Hillman in reaching adjustment, and above all the personality of Mr. John E. Williams, first chairman of the Board of Arbitration, all contributed largely to the success achieved. The developments at Hart Schaffner & Marx from 1910 to 1919 proceeded from efforts to solve problems as they arose. Without the happy combination of personalities, it is doubtful whether the solutions reached would have brought the experiment to a point from which its extension to other portions of the industry would have been entertained.

During the period ending in 1919, the balance of the Chicago clothing industry was strongly antagonistic to the arrangement operating in Hart Schaffner & Marx. For a considerable portion of that time there were either intermittent strikes in a large part of the industry or "strikes in

detail" which went far towards paralyzing production in individual houses. In the meantime, the organization of the workers in those houses had proceeded to such an extent that the Amalgamated Clothing Workers practically controlled the labor situation. The Chicago manufacturers in 1919 had come to feel that they had lost a battle, and it was largely in that spirit that they entered into an agreement with the union.

Henry Sonneborn & Company of Baltimore was the first large house after Hart Schaffner & Marx to enter into an agreement with the union. Strouse & Brothers, now out of business, later followed the Sonneborn lead. One fair-sized house with headquarters in Baltimore, manufacturing part of its product in Baltimore and part in outlying towns, has continued to operate non-union shops. Some of the smaller houses in Baltimore have fluctuated between Amalgamated and non-Amalgamated operation. A number of houses have operated with United Garment Workers' cutters; at least, one plant has had United Garment Workers' cutters with part of its shops United Garment Workers and part Amalgamated. Conditions in those Baltimore houses that were dealing with the Amalgamated prior to 1919 were quite unlike the conditions at Hart Schaffner & Marx, and there was little similarity between the operation of agreements in the two centers.

In Rochester the situation was developed quite differently from that in Chicago. There was danger of a conflict in 1919, but agreement was voluntarily entered into at that time, not only in the hope of avoiding conflict, but with the promise that stability and good will might be secured, and still leave with the employers a large measure of the freedom they previously

enjoyed. Mr. Samuel Weill, president of The Stein-Bloch Company, was largely instrumental in guiding the policy of the market in this direction. One fair-sized house in Rochester stood aloof from this movement and entered into a vigorous conflict with the Amalgamated. Some of the legal phases of this conflict are still pending.

With the exception of a few shops operating in the outlying districts, substantially all of the product of the New York market was being made by Amalgamated workers in 1919. One of the recurrent conflicts that characterizes that market had just come to a close at the time the Rochester and Chicago markets were entering into agreement with the Amalgamated. An effort was made to bring all the different types of manufacturers into a single organization authorized to speak for the market. A general wage adjustment was put in force and provision was made for the creation of impartial machinery roughly along the Hart Schaffner & Marx lines. The conditions in the market, however, as above described, were not conducive to law and order during the period of expansion any more than they have proved to be during the subsequent period of depression. Neither the manufacturers' association nor the union was strong enough to prevent direct action on the part of individuals and groups.

By the time the post-war expansion of business had reached its crest in 1919, agreements or other working arrangements with the Amalgamated Clothing Workers of America were operating throughout the industry, with the exception of a few houses in Rochester, Baltimore, Philadelphia, Cleveland, Cincinnati, and perhaps one or two other places, whose aggregate product represented but a small percentage of the total output of men's

clothing. Some of these non-Amalgamated houses were in agreement with the remnants of the United Garment Workers; some were using United Garment cutters and operating scattered non-union shops; some were non-union throughout. Beginning with 1919, however, union conditions in the clothing industry meant substantially conditions resulting from agreements or understandings with the Amalgamated Clothing Workers of America. While the United Garment Workers are still represented in the industry, they have little influence in determining conditions.

Nothing of particular significance in connection with the study of law and order in the clothing industry has occurred in the smaller markets. The occurrences in the New York market during the years 1919-20, ending with open conflict lasting for several months after December, 1920, went to prove that the New York market is a law unto itself and cannot, as the industry there is at present constituted, be expected to work out its industrial relations problem on lines parallel to those followed in markets in which large and responsible business units predominate. The study of clothing agreements, therefore, refers substantially to agreements in Chicago, Rochester and Baltimore.

Agreements more or less similar in form have now been in force in the most important houses of these markets for a minimum period of three years. In large measure the more recent of these agreements were directly or indirectly the result of power that came to the workers during the war and post-war expansion in business. The industry has now carried the agreements to the end of the period of expansion and through an acute slump followed by prolonged depres-

sion. In the midst of this depression the agreements have just been renewed in the three most stable markets for a further period of three years, terminable, however, except in three houses, after one year in case of disagreement on wages. There is at this moment no likelihood that conditions will arise which will result in terminating the agreements before their expiration in 1925.

The renewal of trade agreements after a period in which they have been more or less constantly subjected to great strain through fluctuations in business, does not mean that the more stable portion of the men's clothing industry finds these agreements completely satisfactory. They do, however, constitute a more promising policy than anything else in sight. The fact that they have proceeded from such a variety of circumstances and that a tolerable measure of peace has been maintained under varied conditions, indicates that principles are involved which go deeper than the mere chance handling of particular situations.

INDUSTRIAL GOVERNMENT

All agreements in the men's clothing industry conform to what is commonly designated as collective bargaining, but they go further than mere bargaining. The workers have established for themselves the organization they wish to have represent them, and the employers on their part accept that organization and deal with it. The Amalgamated Clothing Workers is an industrial as distinguished from a craft union. From the standpoint of most of the employers this form of organization is preferable to the craft form. Indeed, the greatest difficulties under our agreements have arisen out of the fact that some of the groups within the union have been dominated

by the ideas of craft organization and have tried to operate along craft lines, sometimes in defiance of the general body of the union. The ability to deal with the whole body of the workers through one organization, notwithstanding the centralized power which such an organization implies, has, from the standpoint of management, decided advantages over a less centralized organization.

Collective bargaining may mean much or little according to the practice in the plant or industry in which it occurs. In the clothing industry the bargaining which results in a trade agreement is not alone significant because it fixes wages and working conditions for a period of time; its chief significance lies in determining the principles and the procedure under which problems that arise from day to day shall be adjusted.

Possibly the term collective representation would be more accurate than collective bargaining, in describing the situation in this industry. At any rate, representation is one of the first considerations in making the agreement work. The union is represented in the first instance by the shop chairman and secondly, by the union deputy. The shop chairman, as the term implies, is a worker elected to represent the workers and the union in the shop. The deputy is a union official not employed in the shop, who is called in when the shop chairman and the management cannot adjust their differences. The deputy has appropriate access to subject matter involved in a dispute and may enter the shop accompanied by a representative of management. The agreement puts on him the obligation to transact his business in the shop at appropriate times and in such a way as not to undermine discipline.

Employers likewise act habitually

through designated representatives. In respect to minor adjustments the foreman or superintendent functions. Questions which, because of their scope or failure of adjustment in the shop, go beyond the foreman, are handled for the most part by a labor manager. The smaller houses combine in employing a joint labor manager. Employers are themselves organized into some form of association or federation with a committee to speak for all the employers of the market in matters of concern to more than an individual house. In some cases the association of manufacturers functions from day to day through a paid executive called a director or market labor manager. Finally, the three markets, Chicago, Rochester and Baltimore, are represented by the National Industrial Federation of Clothing Manufacturers, which functions through an executive director. In other words, our arrangement involves collective action on both sides through authorized representatives. Also, the representatives of the parties mutually recognize each other as authorized to deal collectively for their respective principals.

Along with collective action and representation, we have embodied in all of our agreements the principle of continuous arbitration. By continuous arbitration is meant acceptance of the fact that questions are going to arise upon which we cannot agree. We agree, however, once for all, to accept during the period of the agreement the decision of an impartial arbitrator upon concrete questions arising under the agreement upon which, as interested parties, we are unable to agree. Failure to agree under this arrangement, instead of creating a crisis, merely creates a case before the Trade Board, and Trade Board cases are all in a day's work for

both sides. With the recognition of collective action, representation and arbitration, there is no occasion for interruption of business. Agreements, therefore, contain emphatic prohibition of stoppages in production, and provide for the discipline of participants and instigators.

The arrangement here briefly sketched has frequently been referred to as industrial government. This term is sufficiently descriptive, provided its implications are not overdrawn. Both sides are trying to maintain law and order in the clothing industry, and have established certain institutions for accomplishing this result. They are also building up certain precedents and practices which probably tend on the whole to simplify the solution of future problems.

INDUSTRIAL LAW

There has been much public discussion of clothing agreements proceeding from the assumption that we are developing a system of industrial law. I have myself several times publicly expressed this thought. Further experience, however, and more mature reflection, have made me very doubtful whether the results of our practice during the past three years should be considered as the beginnings of a body of constitutional law for the clothing industry. It is significant that in the recent negotiations for renewal of agreements, both sides were in complete accord in trying to discourage the solution of problems on the basis of precedent. There was a strong feeling that we were in danger of getting too much instead of too little law, and showing a tendency to become legalistic and technical. Wherever possible, the agreement is expressed in terms calculated to discourage this tendency, and the prin-

cipal representatives of the two sides are undertaking to emphasize among their associates the necessity of solving problems as they arise instead of conducting litigation dominated by past precedents or the fear of creating new ones.

Running an industry is an intensely human problem. The approach to difficulties must be both human and pragmatic, and unless this viewpoint is kept to the front there is grave danger of building up a body of law that may possess all virtue on paper, but will lack the virtue of actually solving problems. In our effort to give the new agreement a setting that will help to forestall this danger, we have tried to formulate it in a way to put larger responsibilities on the representatives of the parties, and have gone so far as to embody a clause in the agreement mildly restricting the scope of arbitration. Moreover, both sides are pledged to a sincere effort to meet the views of the other and to rely less on the arbitrators than has been done in the past, as well as to get away from a too insistent invoking of precedents as determining factors in settling concrete disputes.

To understand the significance of what is being attempted in the clothing industry, the activities must be studied in their own setting. Little value can attach to a comparison of developments in clothing, farm implements, mercantile establishments and electrical or other industries, with the thought of rating into grades of excellence the various efforts to deal constructively with industrial relations. There are, of course, certain prerequisites of human contact common to all well thought out plans for bringing the factors of production into closer and more effective working relationships.

MANUFACTURERS' ORGANIZATION

Clothing agreements, and the successes and faults of their operation, are mostly the outcome of clothing experience. Some industries and plants are trying to deal with industrial relations along constructive lines before there is an organization of workers strong enough to enforce official relations with the union. Such voluntary efforts, when they proceed from a sincere purpose to apply statesmanship to the relation of employer and employee, represent management at its best and should be commended. The clothing manufacturer did not see the handwriting on his neighbor's wall but on his own. It was not a union operating in some adjacent industry that brought industrial relations in the clothing industry within the scope of a business problem that had to be met.

The more advanced manufacturers congratulated themselves that in moving from the contract shop to their model factories they were rescuing the industry from reproach and putting it in a way of wholesome development. Beyond that there appeared to be no particular occasion to reflect. Employers less well circumstanced probably did not reflect at all. The day to day situations they confronted absorbed whatever energy and mental equipment they had to give.

This was the medium in which, in 1910, representatives of organized workers injected themselves and demanded what such representatives usually demand. The largest house in the industry, searching for a right and wise approach, decided to commit itself unreservedly to coöperation. Other large houses, impressed with the dangers of possible union domination, decided with equal earnestness and with good conscience upon a

policy of resistance. After ten years the policy of resistance gave way, and for three years coöperation is being tried in the industry as it was previously tried on a house basis. Probably most of the thoughtful employers who thus changed their policy still regret the occasion for the change, but they are not wasting their time bemoaning the fact that limitations are being placed on the authority they formerly exercised.

In 1919, the employers promptly organized in a way calculated to promote wise counsel. Recognizing that the extension of one union over the whole industry gave a nation-wide aspect to many of the problems, the National Industrial Federation of Clothing Manufacturers was founded. It was the intention that the Federation should have its headquarters in Chicago and operate for the Chicago, New York, Rochester, Baltimore and Boston markets, and it was thought that other markets might secure its services through affiliation with one of the principal markets. The Boston market, however, never qualified for membership, and since the articles under which the Federation was constituted limit its functions to operating agreements with the Amalgamated, the New York market automatically dropped out in December, 1920, when it broke with the union.

Possibly not less significant than the actual operation of agreements in respect to concrete local situations is the fact that different houses in the several markets representing a great variety of conditions and viewpoints, and the markets themselves, have been able to organize effectively for a peaceful purpose and to maintain that purpose through fluctuations in economic conditions well calculated to stir up the latent militancy inherent in all complex industrial situations.

Doubtless some of our experience, both in maintaining our employers' organizations and in trying, at the same time, to deal vigorously and constructively with the organization of workers, has value for other industries. The chief lesson, however, to be learned from the operation of clothing agree-

ments during the last three years is the lesson of dealing with a situation as it exists rather than bemoaning the fact that it is not a different situation, or attempting to deal with it in accordance with preconceived notions as to what such situations in general ought to be.